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SIPDIS

STATE FOR EB/CBA (DENNIS A. WINSTEAD), EB/EX AND EUR/SE

E.O. 12958: N/A

TAGS: BEXP ABUD AMGT ETRD ECON EINV BTIO CY
SUBJECT: CYPRUS' PROPOSAL FOR BFIF FUNDS

REF: STATE 128559

¶1. Summary: Embassy Nicosia requests BFIF funding to: 1) reserve space at the Cyprus International Trade Fair to promote U.S. products and services to the general public, as well as to cover costs for related advertising and printing of promotional materials. Embassy Nicosia notes that USD 1,100 is currently allocated for two Intellectual Property Rights' seminars in April. Moreover, it is our understanding that in the event the MOU between the Department of Commerce and the Department of State is finalized, BFIF will allocate funds for training at our Partner post of Athens, Greece. End Summary.

¶2. Embassy Nicosia requests funding to cover costs of participation at Cyprus' upcoming Cyprus International Trade Fair in May 2009. In order to have enough time to inform and recruit participants, a positive response to this request is needed no later than mid-February. As part of our efforts to promote U.S. products and services, we are considering subsidizing space and construction costs for the Fair (which has between 100,000 to 120,000 visitors over a 10-day period) for U.S. product representatives. We plan to proceed as follows:

- Organize a fashion show of well-known U.S. apparel, which would present different U.S. brands in our Pavilion throughout the duration of the trade fair.
- Subsidize U.S.-made auto distributors' participation and special events at the Fair.
- Subsidize U.S. franchises participation and special events at the Fair.

We are certain that this will help attract more people to our Pavilion and promote U.S. business at the same time.

a) Justification: Despite the impact from the global economic slowdown, the Cypriot economy is expected to grow more than 2 percent in 2009. U.S. companies have fewer funds than in years past to provide marketing support in this small, but economically active country. Post efforts at the trade fair will provide U.S. companies with a cost-effective way to enhance their visibility in Cyprus.

b) Anticipated outcomes: The automotive industry has decided to cancel the annual Motor Show. By providing an alternative mass-market venue to U.S. auto manufacturers, we can help them continue to promote their cars, even at this time of economic difficulty. The fashion and franchise industries have not participated in our pavilion in the past and we would like to bring them in to make our pavilion more exciting to visitors and to educate Cypriots that these products are of U.S. origin.

c) Estimated costs: Booth costs at the U.S. Pavilion (for 100m including VAT): \$16,422 (\$164.22 per square meter / estimated conversion rate is EUR1 = USD 1.40) (EUR 102 x 15% VAT= EUR 117.30 per square meter); printing of brochures and other promotional material: estimated USD 2,000. Total estimated cost: \$18,422.

d) Point of contact: If you wish to get more information on this project, please contact the Commercial Specialist, Ms. Ephie-Yvonne

Charalambidou at charalambidouey@state.gov or +357-22-393362 or Economic/Commercial Officer Mr. James Carouso at carousoj@state.gov or at +357-22-393359.

e) Success criteria will include an increased number of high-spending consumers purchasing U.S. products from Cyprus.

¶3. Embassy Nicosia already has an amount of USD 1,100 allocated from BFIF for our upcoming IPR seminars in April.

¶4. It is our understanding that BFIF will cover all costs necessary for any training required of our Commercial Section staff in the event the MOU is implemented between the Department of Commerce and the Department of State.

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